

# **FISCAL NOTE**

## **SB 923 - HB 1809**

April 4, 2001

### **SUMMARY OF BILL:**

- Prohibits any insurer licensed under TCA 56-29-108 or any of its affiliates or subsidiaries including health maintenance organizations, from participating in any group insurance program for state employees unless such insurer permits all hospitals that participate in the TennCare program to become contracted providers and to be included in any provider network in any group insurance programs for state employees if such hospitals agree to contract terms comparable to other hospitals in the network.
- Provides for the act to take effect upon becoming law and would apply to contracts entered into or amended on or after the effective date of the act.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Expenditures - Exceeds \$100,000**

Estimate assumes"

- an increase in state expenditures as the result of requiring health insurance companies to include all hospitals participating in TennCare, in their health care provider networks, if they participate in the state employee's health insurance plan.
- this requirement would result in higher prices paid for hospital services, by insurance companies participating in the state plan. These estimated increased costs would be passed on the state's health insurance plan. The amount of such increase cannot be determined but can be reasonably estimated to exceed \$100,000.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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